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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

RICHARD SCARANTINO, On Behalf of
Himself and All Others Similarly Situated,

Plaintiff,

v.

STEADYMED LTD., KEITH BANK, RON
GINOR, DONALD HUFFMAN, ELIZABETH
CERMAK, STEPHEN FARR, BRIAN STARK,
and JONATHAN RIGBY,

Defendants.

Case No. _____

CLASS ACTION

**COMPLAINT FOR VIOLATION OF
THE SECURITIES EXCHANGE ACT
OF 1934**

JURY TRIAL DEMANDED

Plaintiff, by and through his attorneys, alleges upon personal knowledge as to himself, and upon information and belief based upon, among other things, the investigation of counsel as to all other allegations herein, as follows:

SUMMARY OF THE ACTION

1. This action stems from a proposed transaction announced on April 30, 2018 (the “Proposed Transaction”), pursuant to which SteadyMed Ltd. (“SteadyMed” or the “Company”) will be acquired by United Therapeutics Corporation (“Parent”) and Daniel 24043 Acquisition Corp. Ltd. (“Merger Sub,” and together with Parent, “United Therapeutics”).

2. On April 29, 2018, SteadyMed’s Board of Directors (the “Board” or “Individual Defendants”) caused the Company to enter into an agreement and plan of merger (the “Merger

1 Agreement”) with United Therapeutics. Pursuant to the terms of the Merger Agreement, if the
2 Proposed Transaction is approved by SteadyMed’s shareholders, they will receive \$4.46 in cash
3 and one contractual contingent value right, which will represent the right to receive \$2.63 in
4 cash, for each share of SteadyMed common stock they own.

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6 3. On June 25, 2018, defendants filed a proxy statement (the “Proxy Statement”)
7 with the United States Securities and Exchange Commission (“SEC”) in connection with the
8 Proposed Transaction.

9 4. The Proxy Statement omits material information with respect to the Proposed
10 Transaction, which renders the Proxy Statement false and misleading. Accordingly, plaintiff
11 alleges herein that defendants violated Sections 14(a) and 20(a) of the Securities Exchange Act
12 of 1934 (the “1934 Act”) in connection with the Proxy Statement.

13 **JURISDICTION AND VENUE**

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15 5. This Court has jurisdiction over all claims asserted herein pursuant to Section 27
16 of the 1934 Act because the claims asserted herein arise under Sections 14(a) and 20(a) of the
17 1934 Act and Rule 14a-9.

18 6. This Court has jurisdiction over defendants because each defendant is either a
19 corporation that conducts business in and maintains operations within this District, or is an
20 individual with sufficient minimum contacts with this District so as to make the exercise of
21 jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

22 7. Venue is proper under 28 U.S.C. § 1391 because a substantial portion of the
23 transactions and wrongs complained of herein occurred in this District.

24 **PARTIES AND RELEVANT ENTITIES**

25 8. Plaintiff is, and has been continuously throughout all times relevant hereto, the
26 owner of SteadyMed common stock.

27 9. Defendant SteadyMed is a company organized under the laws of Israel and
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maintains offices in San Ramon, California and Rehovot, Israel. SteadyMed's common stock is traded on the NasdaqGM under the ticker symbol "STDY." SteadyMed is a party to the Merger Agreement.

10. Defendant Keith Bank ("Bank") has served as Chairman of the Board of SteadyMed since May 2012 and has served as a director of SteadyMed since February 2009.

11. Defendant Ron Ginor ("Ginor") has served as a director of SteadyMed since January 2009.

12. Defendant Donald Huffman ("Huffman") has served as a director of SteadyMed since February 2015.

13. Defendant Elizabeth Cermak ("Cermak") has served as a director of SteadyMed since July 2015.

14. Defendant Stephen Farr ("Farr") has served as a director of SteadyMed since May 2012.

15. Defendant Brian Stark ("Stark") has served as a director of SteadyMed since February 2012.

16. Defendant Jonathan Rigby ("Rigby") has served as President, Chief executive Officer, and a director of SteadyMed since August 2011.

17. The defendants identified in paragraphs 10 through 16 are collectively referred to herein as the "Individual Defendants."

18. Non-party Parent is a Delaware corporation and a party to the Merger Agreement.

19. Non-party Merger Sub is a Delaware corporation, a wholly-owned subsidiary of Parent, and a party to the Merger Agreement.

CLASS ACTION ALLEGATIONS

20. Plaintiff brings this action as a class action on behalf of himself and the other public stockholders of SteadyMed (the "Class"). Excluded from the Class are defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any defendant.

21. This action is properly maintainable as a class action.

22. The Class is so numerous that joinder of all members is impracticable. As of April 26, 2018, there were approximately 26,582,910 shares of SteadyMed common stock outstanding, held by hundreds, if not thousands, of individuals and entities scattered throughout the country.

23. Questions of law and fact are common to the Class, including, among others, whether defendants violated the 1934 Act and whether defendants will irreparably harm plaintiff and the other members of the Class if defendants' conduct complained of herein continues.

24. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class and plaintiff has the same interests as the other members of the Class. Accordingly, plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

25. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications that would establish incompatible standards of conduct for defendants, or adjudications that would, as a practical matter, be dispositive of the interests of individual members of the Class who are not parties to the adjudications or would substantially impair or impede those non-party Class members' ability to protect their interests.

26. Defendants have acted, or refused to act, on grounds generally applicable to the Class as a whole, and are causing injury to the entire Class. Therefore, final injunctive relief on behalf of the Class is appropriate.

SUBSTANTIVE ALLEGATIONS

Background of the Company and the Proposed Transaction

27. SteadyMed is a specialty pharmaceutical company focused on the development of drug products to treat orphan and high value diseases with unmet parenteral delivery needs.

28. The Company's lead drug product candidate is Trevyent, a development-stage drug-device combination product that combines SteadyMed's PatchPump technology with

1 treprostinil, a vasodilatory prostacyclin analogue to treat pulmonary arterial hypertension.

2 29. SteadyMed has signed an exclusive license and supply agreement with Cardiome
3 Pharma Corp. for the commercialization of Trevyent in Europe and the Middle East.

4 30. In March 2018, Cardiome sublicensed its rights to sell Trevyent in Canada to
5 Cipher Pharmaceuticals.

6 31. SteadyMed has offices in San Ramon, California and Rehovot, Israel.

7 32. On April 29, 2018, the Individual Defendants caused the Company to enter into
8 the Merger Agreement with United Therapeutics.

9 33. Pursuant to the terms of the Merger Agreement, if the Proposed Transaction is
10 approved by SteadyMed's shareholders, they will receive \$4.46 in cash and one contractual
11 contingent value right, which will represent the right to receive \$2.63 in cash, for each share of
12 SteadyMed common stock they own.
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14 34. According to the press release announcing the Proposed Transaction:

15 United Therapeutics Corporation (NASDAQ:UTHR) and SteadyMed Ltd.
16 (NASDAQ:STDY) announced today the signing of a definitive merger agreement
17 under which United Therapeutics will acquire SteadyMed for \$4.46 per share in
18 cash at closing and an additional \$2.63 per share in cash upon the achievement of
a milestone related to the commercialization of Trevyent®. The transaction,
including the \$75 million in contingent consideration, is valued at \$216 million.

19 SteadyMed is a specialty pharmaceutical company focused on the development
20 and commercialization of drug product candidates to treat orphan and high-value
21 diseases with unmet parenteral delivery needs. SteadyMed's product portfolio
22 includes Trevyent, a development-stage drug-device combination product that
23 combines SteadyMed's two day, single use, disposable PatchPump® technology
24 with treprostinil, a vasodilatory prostacyclin analogue, for the subcutaneous
treatment of pulmonary arterial hypertension (PAH). United Therapeutics is a
leading biotechnology company focused on the development and
commercialization of therapies for the treatment of PAH and other orphan
diseases. . . .

25 The Board of Directors of SteadyMed has unanimously approved the merger
26 agreement and unanimously recommends that SteadyMed shareholders adopt the
27 merger agreement. SteadyMed shareholders owning approximately 43.3 percent
of the ordinary shares of SteadyMed have entered into an agreement to vote their
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1 shares in favor of the transaction.

2 The transaction is subject to customary closing conditions, including approval by
3 SteadyMed's shareholders and the expiration or termination of the required
4 waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, and is
expected to be completed in the third quarter of this year.

5 ***The Proxy Statement Omits Material Information, Rendering It False and Misleading***

6 35. Defendants filed the Proxy Statement with the SEC in connection with the
7 Proposed Transaction.

8 36. The Proxy Statement omits material information with respect to the Proposed
9 Transaction, which renders the Proxy Statement false and misleading.

10 37. First, the Proxy Statement omits material information regarding the Company's
11 financial projections and the analyses performed by the Company's financial advisor in
12 connection with the Proposed Transaction, Wedbush Securities Inc. ("Wedbush").

13 38. With respect to the Company's financial projections, the Proxy Statement fails to
14 disclose, for all scenarios: (i) all line items used to calculate EBITDA; (ii) all line items used to
15 calculate unlevered free cash flow; and (iii) a reconciliation of all non-GAAP to GAAP metrics.

16 39. With respect to Wedbush's Discounted Cash Flow Analysis, the Proxy Statement
17 fails to disclose the inputs and assumptions underlying the WACC range of 22.5% to 27.5%.

18 40. With respect to Wedbush's Public Comparable Companies Analysis, the Proxy
19 Statement fails to disclose the multiples and financial metrics for the companies observed by
20 Wedbush in the analysis.

21 41. The disclosure of projected financial information is material because it provides
22 stockholders with a basis to project the future financial performance of a company, and allows
23 stockholders to better understand the financial analyses performed by the company's financial
24 advisor in support of its fairness opinion. Moreover, when a banker's endorsement of the
25 fairness of a transaction is touted to shareholders, the valuation methods used to arrive at that
26 opinion as well as the key inputs and range of ultimate values generated by those analyses must
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1 also be fairly disclosed.

2 42. Second, the Proxy Statement omits material information regarding potential
3 conflicts of interest of Wedbush.

4 43. The Proxy Statement fails to disclose the amount of compensation Wedbush will
5 receive in connection with its engagement.

6 44. The Proxy Statement also fails to disclose whether Wedbush has performed
7 services for the parties to the Merger Agreement or their affiliates in the past three years, as well
8 as the nature of such services and the amount of fees Wedbush received for such services.

9 45. Full disclosure of investment banker compensation and all potential conflicts is
10 required due to the central role played by investment banks in the evaluation, exploration,
11 selection, and implementation of strategic alternatives.

12 46. The omission of the above-referenced material information renders the Proxy
13 Statement false and misleading, including, *inter alia*, the following sections of the Proxy
14 Statement: (i) Background of the Transaction; (ii) Recommendation of the Board; Reasons for
15 the Transaction; (iii) Opinion of Wedbush Securities Inc.; and (iv) Certain Financial Forecasts.

16 47. The above-referenced omitted information, if disclosed, would significantly alter
17 the total mix of information available to the Company's stockholders.

18 **COUNT I**

19 **Claim for Violation of Section 14(a) of the 1934 Act and Rule 14a-9 Promulgated**
20 **Thereunder Against the Individual Defendants and SteadyMed**

21 48. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

22 49. The Individual Defendants disseminated the false and misleading Proxy
23 Statement, which contained statements that, in violation of Section 14(a) of the 1934 Act and
24 Rule 14a-9, in light of the circumstances under which they were made, omitted to state material
25 facts necessary to make the statements therein not materially false or misleading. SteadyMed is
26 liable as the issuer of these statements.

1 statements that plaintiff contends are false and misleading.

2 58. Each of the Individual Defendants was provided with or had unlimited access to
3 copies of the Proxy Statement alleged by plaintiff to be misleading prior to and/or shortly after
4 these statements were issued and had the ability to prevent the issuance of the statements or
5 cause them to be corrected.

6 59. In particular, each of the Individual Defendants had direct and supervisory
7 involvement in the day-to-day operations of the Company, and, therefore, is presumed to have
8 had the power to control and influence the particular transactions giving rise to the violations as
9 alleged herein, and exercised the same. The Proxy Statement contains the unanimous
10 recommendation of the Individual Defendants to approve the Proposed Transaction. They were
11 thus directly in the making of the Proxy Statement.

12 60. By virtue of the foregoing, the Individual Defendants violated Section 20(a) of the
13 1934 Act.

14 61. As set forth above, the Individual Defendants had the ability to exercise control
15 over and did control a person or persons who have each violated Section 14(a) of the 1934 Act
16 and Rule 14a-9, by their acts and omissions as alleged herein. By virtue of their positions as
17 controlling persons, these defendants are liable pursuant to Section 20(a) of the 1934 Act. As a
18 direct and proximate result of defendants' conduct, plaintiff and the Class are threatened with
19 irreparable harm.

20 **PRAYER FOR RELIEF**

21 **WHEREFORE**, plaintiff prays for judgment and relief as follows:

22 A. Enjoining defendants and all persons acting in concert with them from proceeding
23 with, consummating, or closing the Proposed Transaction;

24 B. In the event defendants consummate the Proposed Transaction, rescinding it and
25 setting it aside or awarding rescissory damages;
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1 C. Directing the Individual Defendants to file a Proxy Statement that does not
2 contain any untrue statements of material fact and that states all material facts required in it or
3 necessary to make the statements contained therein not misleading;

4 D. Declaring that defendants violated Sections 14(a) and/or 20(a) of the 1934 Act, as
5 well as Rule 14a-9 promulgated thereunder;

6 E. Awarding plaintiff the costs of this action, including reasonable allowance for
7 plaintiff's attorneys' and experts' fees; and

8 F. Granting such other and further relief as this Court may deem just and proper.

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10 **JURY DEMAND**

11 Plaintiff hereby demands a trial by jury.

12 Dated: June 27, 2018

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14 By: /s/ Michael Schumacher

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